

CHAPTER NO. 178

SENATE BILL NO. 1332

By Burchett

Substituted for: House Bill No. 1369

By Armstrong, Tindell

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 52, relative to municipal utilities providing electric service in multiple counties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 52, Part 1, is amended by adding a new section as follows:

Section 7-52-1___. (a) Notwithstanding any other law to the contrary, when a municipal utility provides electric service in multiple counties and one of the counties outside of the county in which the principal office of the utility is located, has in excess of sixty percent (60%) of the customers residing in it, then such municipal utility shall create and install two (2) additional board members from the county which has in excess of sixty percent (60%) of the utility customers. The county mayor or county executive of the county which has in excess of sixty percent (60%) of the customers shall recommend persons to fill the new board member positions. The city council or chief legislative body of the city which owns the municipal utility shall accept or reject the recommendation(s) at a public meeting by a simple majority vote. If the recommended person(s) is not accepted or rejected within thirty (30) days following the date of the recommendation, the person(s) shall be deemed accepted. If rejected, the county mayor or county executive shall recommend other person(s) until the city council or chief legislative body of the city accepts the recommendation(s). Such board members shall not be considered city council persons or employees of the municipality, nor shall they receive any insurance benefits. The terms of such board members shall be four (4) years and each shall serve until their successor is selected and assumes office. In the event a vacancy occurs, the county mayor or county executive shall initiate the procedure described in this section to appoint a successor to fill the vacancy for the remainder of the unexpired term.

For implementation purposes, one board member shall assume office on July 1, 2005, and the other shall assume office on July 1, 2006.

Such appointees shall be customers of the municipal utility for not less than one (1) year and shall not be an employee or board member of any other utility.

This act shall in no way affect or change the in lieu of tax payment procedure or recipient in effect prior to the effective date of this act and further ratifies such procedure.

(b) The provisions of this act shall only apply to municipal utilities which are wholly located within the State of Tennessee and otherwise subject to the provisions of this act.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, then all provisions and applications of this act are declared to be invalid and void.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 2, 2005


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 17th day of May 2005


PHIL BREDESEN, GOVERNOR